

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Unemployment Insurance Act is amended by
5 changing Sections 2201 and 2201.1 as follows:

6 (820 ILCS 405/2201) (from Ch. 48, par. 681)

7 Sec. 2201. Refund or adjustment of contributions. Not
8 later than 3 years after the date of overpayment by ~~upon which~~
9 ~~the Director first notifies~~ an employing unit of ~~that it has~~
10 ~~paid~~ contributions, interest or penalties thereon erroneously,
11 the employing unit may file a claim with the Director for an
12 adjustment thereof in connection with subsequent contribution
13 payments, or for a refund thereof where such adjustment cannot
14 be made; provided, however, that no refund or adjustment shall
15 be made of any contribution, the amount of which has been
16 determined and assessed by the Director, if such contribution
17 was paid after the determination and assessment of the Director
18 became final, and provided, further, that any such adjustment
19 or refund, involving contributions with respect to wages on the
20 basis of which benefits have been paid, shall be reduced by the
21 amount of benefits so paid. Upon receipt of a claim the
22 Director shall make his determination, either allowing such
23 claim in whole or in part, or ordering that it be denied, and

1 serve notice upon the claimant of such determination. Such
2 determination of the Director shall be final at the expiration
3 of 20 days from the date of service of such notice unless the
4 claimant shall have filed with the Director a written protest
5 and a petition for hearing, specifying his objections thereto.
6 Upon receipt of such petition within the 20 days allowed, the
7 Director shall fix the time and place for a hearing and shall
8 notify the claimant thereof. At any hearing held as herein
9 provided, the determination of the Director shall be prima
10 facie correct and the burden shall be upon the protesting
11 employing unit to prove that it is incorrect. All of the
12 provisions of this Act applicable to hearings conducted
13 pursuant to Section 2200 shall be applicable to hearings
14 conducted pursuant to this Section. Upon the conclusion of such
15 hearing, a decision shall be made by the Director and notice
16 thereof given to the claimant. If the Director shall decide
17 that the claim be allowed in whole or in part, or if such
18 allowance be ordered by the Court pursuant to Section 2205 and
19 the judgment of said Court has become final, the Director
20 shall, if practicable, make adjustment without interest in
21 connection with subsequent contribution payments by the
22 claimant, and if adjustments thereof cannot practicably be made
23 in connection with such subsequent contribution payments, then
24 the Director shall refund to the claimant the amount so
25 allowed, without interest except as otherwise provided in
26 Section 2201.1 from moneys in the benefit account established

1 by this Act. Nothing herein contained shall prohibit the
2 Director from making adjustment or refund upon his own
3 initiative, within the time allowed for filing claim therefor,
4 provided that the Director shall make no refund or adjustment
5 of any contribution, the amount of which he has previously
6 determined and assessed, if such contribution was paid after
7 the determination and assessment became final.

8 If this State should not be certified for any year by the
9 Secretary of Labor of the United States of America, or other
10 appropriate Federal agency, under Section 3304 of the Federal
11 Internal Revenue Code of 1954, the Director shall refund
12 without interest to any instrumentality of the United States
13 subject to this Act by virtue of permission granted in an Act
14 of Congress, the amount of contributions paid by such
15 instrumentality with respect to such year.

16 The Director may by regulation provide that, if there is a
17 total credit balance of less than \$2 in an employer's account
18 with respect to contributions, interest, and penalties, the
19 amount may be disregarded by the Director; once disregarded,
20 the amount shall not be considered a credit balance in the
21 account and shall not be subject to either an adjustment or a
22 refund.

23 The changes made to this Section by this amendatory Act of
24 the 99th General Assembly apply to refunds and credits after
25 January 1, 2017.

26 (Source: P.A. 98-1133, eff. 1-1-15.)

1 (820 ILCS 405/2201.1) (from Ch. 48, par. 681.1)

2 Sec. 2201.1. Interest on Overpaid Contributions, Penalties
3 and Interest. The Director shall quarterly ~~semi-annually~~
4 furnish each employer with a statement of credit balances in
5 the employer's account where the balances with respect to all
6 contributions, interest and penalties combined equal or exceed
7 \$2. Under regulations prescribed by the Director and subject to
8 the limitations of Section 2201, the employer may file a
9 request for an adjustment or refund of the amount erroneously
10 paid. Interest shall be paid on refunds of erroneously paid
11 contributions, penalties and interest imposed by this Act,
12 except that if any refund is mailed by the Director within 90
13 days after the date of the refund claim, no interest shall be
14 due or paid. The interest shall begin to accrue as of the date
15 of the refund claim and shall be paid at the rate of 1.5% per
16 month computed at the rate of 12/365 of 1.5% for each day or
17 fraction thereof. Interest paid pursuant to this Section shall
18 be paid from monies in the special administrative account
19 established by Sections 2100 and 2101. This Section shall apply
20 only to refunds of contributions, penalties and interest which
21 were paid as the result of wages paid after January 1, 1988.

22 The changes made to this Section by this amendatory Act of
23 the 99th General Assembly apply to refunds and credits after
24 January 1, 2017.

25 (Source: P.A. 98-1133, eff. 1-1-15.)

1 Section 99. Effective date. This Act takes effect January
2 1, 2017.